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SENSITIVE

DEPARTMENT FOR EUR/AGS

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SUBJECT: FDP "THREE KINGS DAY": CHIEF WESTERWELLE DEFENDS TAX-CUTS
AND CALLS FOR INTELLECTUAL AND POLITICAL CHANGE.

Sensitive but unclassified; not for internet distribution.

¶1. (SBU) SUMMARY: Foreign Minister and Free Democratic Party (FDP) national chair Guido Westerwelle defended the party's tax policy and downplayed problems in the national coalition at the FDP's annual leadership gathering in Stuttgart January 5-6, "Three Kings Day". The event's highlight was the Westerwelle's keynote speech in which he promised that the FDP would continue to honor its election promises and asserted that the party intended to remain in power for some time. Overall, the mood of the FDP delegates during the conference was one of confidence and optimism. END SUMMARY.

"Spiritual and Political Change" Needed

¶2. (U) Westerwelle chose a call for "spiritual and political change" as the central theme of his speech, a take on Helmut Kohl's 1984 famous refrain for a "spiritual and moral" change. Westerwelle's depiction of "change" focused on adherence to free market principles. He argued that Germany should remain a European and world leader, becoming more self-confident, less afraid of the future, and better prepared to handle competition from Asia. He repeated his mantra of lifting the tax burden for Germany's "forgotten" middle class and said that the FDP would continue to press for even more tax cuts. He defended the VAT reduction for the German tourism industry, arguing that 22 out of 27 EU countries have a reduced VAT tax, which disadvantaged Germany's competitiveness. Westerwelle emphasized that the FDP fought for ten years in the opposition to bring this new sense of change to Germany and is not about to give up now.

¶3. (U) Christian Lindner, the new FDP General Secretary, further developed Westerwelle's concepts in his own 30 minute address, arguing that there was a fundamental "lack of fairness" in German society brought on by the excessive German welfare state. Lindner reasoned that the social system hindered those who would like to move ahead in life and that the FDP would redefine the principals of "social justice." Lindner said that climate change, renewable energy, and educational reforms would be future focal points of the FDP. Speaking without notes, Lindner gave a rousing speech and received a long standing ovation, with Westerwelle later calling Lindner's address "brilliant."

Little Mention of Coalition Troubles

¶4. (U) Westerwelle, Lindner, and Birgit Homburger, the FDP's Bundestag caucus leader, all shied away from discussing troubles in the CDU/CSU/FDP coalition government. Westerwelle and Homburger repeated numerous times that, with regard to tax cuts, the FDP must stick to its campaign promises. "This is the nicest kind of criticism that a government party has to face. That it stands by its campaign promises," Westerwelle said. Westerwelle further complemented Chancellor Merkel, CDU/CSU floor leader Kauder, Finance

Minister Schaeuble and CSU chief Seehofer for sticking to the coalition agreement and referred to any criticism of the tax cuts, as merely "minor rumbling." Lindner specifically addressed the criticism that the "FDP is not yet used to being in power." "If getting used to governing means to defend the status quo or to flatter lobbyists, we don't want to get used to it," he said. Regarding the recent troubles with CDU member Erika Steinbach, whom the FDP opposes being on the board of an organization for German World War II expellees, Westerwelle remained silent.

¶5. (SBU) During private conversations with Consulate representatives, FDP delegates similarly conveyed little direct criticism of their coalition partners. Jan Rittaler, chairman of the Baden-Wuerttemberg FDP's economic council, said that current tensions in Berlin were normal at the beginning of a new political partnership. Heidirose Berroth, FDP member of the Baden-Wuerttemberg state parliament, found the recent troubles problematic, primarily because she feared that a negative image of the federal coalition government could affect the success of the FDP in the 2011 Baden-Wuerttemberg state election. Olaf Bentlage, Birgit Homburger's Chief of Staff, levied only minor criticism, saying that the CDU had yet to get used to its new partner. He further charged that many "social democratic ideas" have rubbed off on the CDU over the last four years, which was causing part of the problem.

Afghanistan and Security

¶6. (U) Security issues and privacy rights came up several times during the conference, specifically the issue of so-called "naked

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scanners" in airports. Westerwelle himself criticized the broad collection of data and any infringement of civil rights. He cited the attempted Christmas Day attack in Detroit as an example that the collection of data alone will not secure the lives of innocent people. "Just to know everything about a normal citizen, does not lead to increased security." On the first day of the conference, the young FDP party members set up a mock "naked scanner" in the building's lobby to critique its use. (Guests could take pictures of their shadows through it.) Regarding Afghanistan, Westerwelle welcomed that the international community had agreed on a broad political agenda for the upcoming conference. He stressed that only sending more troops was not enough, but rather that the Afghan people must learn to take responsibility for their own security, which will eventually lead to a withdrawal of troops.

¶7. COMMENT: (SBU) This year's "Three Kings" gathering was a demonstration of self-confidence. After eleven years in opposition, it was the first time for the FDP to be in the national governing party. The speeches of FDP delegates repeatedly emphasized their success nationally, on the state level in Baden-Wuerttemberg (where they came within 1 percentage point of the Social Democratic Party's returns), and even on the European level. Only through small comments and the intonation in some private conversations was any indication of stress within the national coalition government apparent. The FDP remains committed to their ideology and political agenda, with all speakers emphasizing their intention to not divert from their present political course. END COMMENT.

¶8. (U) This cable has been coordinated with Embassy Berlin.

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